



Panhandle News

BENEWAH, BONNER, BOUNDARY, KOOTENAI & SHOSHONE COUNTIES

ECONOMIC TRENDS

In early 2006, the Coeur d'Alene Metropolitan Statistical Area was astonished to see its unemployment rate fall below 4 percent, often considered the full employment rate, which is the lowest unemployment can fall without creating inflationary pressure. In 2005 the area's rate had fallen below the U.S. rate for the first time in decades. Now the rate is creeping even closer to another milestone — 3 percent — as February's seasonally adjusted unemployment rate was 3.2 percent, the lowest level ever recorded.

Unemployment in the rest of the Panhandle also was low in February. Benewah County's rate, which generally was in the double-digits during most of the 1980s and 1990s, was 6.2 percent, well below the 7.5 percent of February 2006. Bonner County's 3.7 percent was its lowest rate ever and significantly lower than the U.S. rate of 4.5 percent. Boundary County at 5.6 percent was down considerably from the 7.4 percent in the same month one year earlier. Shoshone County's 5.8 percent was the lowest since the early 1980s.

The broad-based job expansion enjoyed by the Panhandle counties continues in the manufacturing, construction, health care, tourism, retail, transportation and service industries. The two major sectors showing job losses were wood product manufacturing, which has seen some downsizing because of low lumber prices, and Information, where jobs have been lost in telecommunications. Despite a slowdown in residential construction, construction activity remains high as many commercial projects come online.

As long as the national economy continues to expand, the Panhandle should grow at a somewhat faster rate than the U.S. As incomes rise nationwide, the region can expect to sell more manufac-

Panhandle Table 1: Coeur d'Alene MSA Labor Force & Employment
Kootenai County

	Feb 2007*	Jan 2007	Feb 2007	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
<i>Seasonally Adjusted</i>					
Civilian Labor Force	68,680	69,590	68,630	-1.3	0.1
Unemployed	2,230	2,540	2,650	-12.2	-15.8
% of Labor Force Unemployed	3.2	3.6	3.9		
Total Employment	66,450	67,050	65,980	-0.9	0.7
<i>Unadjusted</i>					
Civilian Labor Force	67,620	69,320	68,170	-2.5	-0.8
Unemployed	3,270	3,700	3,740	-11.6	-12.6
% of Labor Force Unemployed	4.8	5.3	5.5		
Total Employment	64,350	65,620	64,430	-1.9	-0.1
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs** - NAICS	53,720	53,520	51,630	0.4	4.0
<i>Goods-Producing Industries</i>	10,630	10,790	10,220	-1.5	4.0
Natural Resources & Mining	450	450	420	0.0	7.1
Construction	5,440	5,530	5,220	-1.6	4.2
Manufacturing	4,740	4,810	4,580	-1.5	3.5
Wood Product Manufacturing	970	980	1,000	-1.0	-3.0
Other Manufacturing	3,770	3,830	3,580	-1.6	5.3
<i>Service-Providing Industries</i>	43,090	42,730	41,410	0.8	4.1
Trade, Transportation, & Utilities	10,470	10,570	9,600	-0.9	9.1
Wholesale Trade	1,540	1,530	1,420	0.7	8.5
Retail Trade	7,780	7,870	7,180	-1.1	8.4
Transportation, Warehousing & Utilities	1,150	1,170	1,000	-1.7	15.0
Information	940	950	970	-1.1	-3.1
Financial Activities	3,000	2,980	2,790	0.7	7.5
Professional & Business Services	5,980	5,960	5,850	0.3	2.2
Educational & Health Services	5,300	5,250	5,230	1.0	1.3
Leisure & Hospitality	6,340	6,250	6,030	1.4	5.1
Other Services	1,420	1,420	1,430	0.0	-0.7
Government Education	3,810	3,570	3,770	6.7	1.1
Government Administration	5,090	5,040	5,070	1.0	0.4
Government Tribes	740	740	670	0.0	10.4

* Preliminary estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

tured goods and host more tourists. In addition, the thriving world economy has put shine back in metal markets, boosting the mining sector in the Panhandle. With manufacturing, mining and tourism creating jobs, incomes are on the rise, boosting jobs at retail stores, restaurants, health care providers and service businesses.

AREA DEVELOPMENTS

BENEWAH COUNTY

- Benewah County's population increased only 1.9 percent from 9,181 in April 2000 to 9,347 in July 2006, according to recently released statistics from the U.S. Census Bureau. Although the

county's population growth was considerably slower than the state's 13.3 percent, it managed to hold its own as the 28th most populated of Idaho's 44 counties. Its net natural increase — births minus deaths — was 84, while net migration — the number of people moving in minus number of people moving out — was 127. Population growth has picked up during the last couple of years.

- Debbie Gregoire recently opened Cat Paw Creations craft store in the mall at Happy's Place in St. Maries. The craft store sells paints, yarns, clay, beads and supplies for crochet and rubber-stamping.

BONNER COUNTY

- From April 2000 to July 2006, Bonner County added 4,440 people to put its population at 41,275, up 12.1 percent. That growth put Bonner County ahead of Nez Perce County as the eighth most populous in Idaho. About 95 percent of the growth was from migration with natural growth accounting for only a fraction of the population increase. About 90 of the county's new residents moved from other countries while the rest came from other states.
- Coldwater Creek Inc., the Sandpoint-based national retailer that employs more than 500 people in Bonner County, reached a milestone last year when it passed the \$1 billion mark in annual sales of its women's apparel. The company was founded in 1984 as a small mail-order catalog. In addition to its mail-order operations, Coldwater Creek now has 239 stores across the U.S. and plans to open 65 new stores this year.
- Aerospace giant Northrop Grumman Corp. recently presented an award for excellence to Cygnus Inc. for its quality, costs and schedule performance on the F/A-18 aircraft program. Cygnus, a Ponderay-based firm with about 70 employees, is well-known for the high quality sheet metal and machine parts and assemblies it makes for the aerospace industry.
- Horizon Credit Union recently opened a branch at Sandpoint High School to serve students and school employees. The Bulldog Branch, named for the high school's mascot, is run by the students. Across the U.S., banks and credit unions are opening branches in high schools where they teach youth about money management, handling credit and dealing with checking accounts. The branch is staffed by four student tellers, who are receiving great learning opportunities, and two managers from Horizon's Sandpoint office.

BOUNDARY COUNTY

- Boundary County's population grew 9.7 percent, from 9,871 in April 2000 to 10,831 in July 2006. Although the rate was slower than the state's strong 13.3 percent, it still was fast enough to move Boundary County past Washington County to become Idaho's 26th largest county. Migration accounted for over 80 percent of the growth. Much of that growth reflects Bonner County residents moving in for less expensive houses.

*Net natural increase = the
number of births minus deaths.*

*Net migration = the number of
people moving in minus number
of people moving out.*

KOOTENAI COUNTY

- When it comes to population growth, Kootenai County is a powerhouse. Its population grew 21 percent between April 2000 and July 2006, making it the third fastest growing of Idaho's 44 counties, just behind Canyon and Teton counties. Over 82 percent of the growth was from migration.
- Nectar of Life Coffee Co. has contracted to provide coffee for the 2,300 Marshalls and T.J. Maxx stores across the U.S. The four-year-old business based in Coeur d'Alene makes fair trade organic coffee blends. Owner Martin Jennings donates a significant portion of the sales revenue to Catholic Relief Services for improving infrastructure, schools and health care in poor, rural communities around the world where the coffee is grown.
- Heidi's Cottage Classics, a six-year-old business that sells gourmet pancake mixes, recently opened its own manufacturing facility in a 1,400-square-foot commercial kitchen in Coeur d'Alene after years of contracting with packagers. Heidi's sells pancake mixes including whole wheat, sourdough and oats 'n apples varieties.
- GarageTown USA of Coeur d'Alene has turned a great idea into a thriving business. Three years ago, it opened its first condominium storage units in the Coeur d'Alene area. Now GarageTown has more than a dozen storage condo developments in Idaho, Arizona, Texas, Colorado, Alaska and Washington and employs 10 workers at its headquarters in Coeur d'Alene. The condo storage units provide

electricity and are located in gated developments with a clubhouse for members. Prices run from \$50,000 to \$200,000. The condo storage units are popular with people who store classic cars, high-end boats and RVs.

- Bakery by the Lake, specializing in pastries and artisan breads, opened in March in Coeur d'Alene. The 4,000-square-foot store employs 12.
- Rusty's, a 2,000-square-foot upscale sports bar featuring eight high-definition TVs, recently opened in Marty Fortier's Design Center in Hayden. The bar employs eight. The design center, where construction was recently completed, houses a collection of home décor stores including a window covering and tinting shop, masonry showroom and flooring store. The center also houses the 2b Café, which serves sandwiches, salads and other goodies.
- Hippo Car Wash hired 10 people when it opened in January in Coeur d'Alene. The car wash, owned by Dean Boever and Mike Threadgill, uses large foam brushes with less friction than normal car washes. It also features a special scrubber to shine tires.
- Fisherman's Market and Grill will open in a 3,500-square-foot space in Coeur d'Alene mid-April. Shoppers will be able to pick up fresh seafood in the retail shop while up to 50 diners can enjoy seafood meals in the restaurant. Six people are expected to be hired to work there.
- Thomas Hammer Coffee Roasting Co. recently opened a 1,500-square-foot coffee and pastry shop in Post Falls.
- The Coeur d'Alene Resort's 30,000-square-foot luxury spa that opened last year has received considerable national attention. In February, it led USA Today's list of 10 romantic places to visit. With side-by-side waterbeds, which double as massage tables, a beautiful setting, crackling fireplaces and exquisite service, the spa captured the national newspaper's attention.
- A 1,740-square-foot Starbucks store and a 4,328-square-foot Verizon store are moving into the Cornerstone Plaza building once construction is completed. When it opens on April 20, the Starbucks will employ 25 people. The Verizon store plans to employ 10 when it opens in May.

SHOSHONE COUNTY

- Shoshone County was the only Panhandle county to see population decline between April 2000 and July 2006. Nine other Idaho counties also lost population during that period. Because Shoshone County

lost many young families, who moved out after a series of mine closures in the last two decades, its population is significantly older than most Idaho counties. As a result, deaths have exceeded births, something that occurred in only four other Idaho counties, which also have natural resource-based economies that shed jobs in the last decade or more. The Census Bureau also estimates 274 more people moved out of Shoshone County than moved in. The combination resulted in a 4.3 percent population decline for the six years. But job prospects have brightened since 2004 and more people have been moving in than moving out of the county. A 6.6 percent population decline from 2000 to 2004 was followed by a 2.5 percent population increase the past two years.

- High metal prices are increasing the possibility that more mines will reopen, expand or start up in the Silver Valley. After Hecla Mining greatly increased its production and exploration efforts at and around its Lucky Friday Mine near Mullan, one of its neighbors is expanding exploration. Timberline Resources Corp. of Coeur d'Alene plans to spend about \$300,000 at the Snowstorm project, which it purchased two years ago from Hecla. The historic Snowstorm Mine produced 800,000 tons of ore averaging 4 percent copper and 6 ounces of silver per ton. The mine opened in the late 1890s, employed about 600 people by 1915 and closed following a fire at its concentrator in 1927. Exploration drilling is expected to begin later this year.

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